

Washington Grain Train



For More Information:

Jeff Schultz  
Operations and Rolling Stock Manager  
[schultj@wsdot.wa.gov](mailto:schultj@wsdot.wa.gov)

WSDOT State Rail and Marine Office  
360-705-7900  
[www.wsdot.wa.gov/rail](http://www.wsdot.wa.gov/rail)

 **Washington State  
Department of Transportation**  
WSDOT State Rail and Marine Office  
PO Box 47407  
Olympia, WA 98504-7407

 **Washington State  
Department of Transportation**

Washington Grain Train



A financially self-sustaining freight transportation program that supports Washington’s farmers, short-line railroads, and rural economic development.

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What is the Washington Grain Train?

The Washington Grain Train is a transportation program that produces a number of important public benefits at no cost to Washington taxpayers. Serving over 2,500 cooperative members and farmers in one of the most productive grain-growing regions in the world, the Washington Grain Train helps carry thousands of tons of grain to deepwater ports along the Columbia River and Puget Sound. From there the grain is loaded onto ships bound for Pacific Rim markets.

The Washington State Grain Train currently owns 89 grain cars (71 are owned by the state, and 18 are owned by the Port of Walla Walla). The Union Pacific Railroad (UP), BNSF Railway Company (BNSF), and Washington short-line railroads operate the cars and carry the grain to market.

Why did WSDOT start the Washington Grain Train program?

In the early 1990s, a national shortage of rail hopper cars made it difficult and expensive for Washington State farmers to get grain to market. The transcontinental railroads were earning more money hauling grain from the Midwest to ports in the Pacific Northwest than they could through shorter distance trips within Washington. This reduced the supply of empty grain cars for eastern Washington grain shippers. To help alleviate this shortage of grain cars, the Washington State Energy Office and WSDOT used federal funds from a successful lawsuit against oil companies to purchase 29 used grain cars for dedicated service within Washington. These rail cars, built between 1966 and 1981, were then repaired and repainted. The total cost for the original 29-car fleet was \$763,000.

How does the public benefit from the program?

The Washington Grain Train produces a number of important public benefits. The Grain Train:

- Helps move Washington products reliably and efficiently to domestic and international markets.
- Helps preserve Washington’s short-line railroads by generating revenues that may be used to upgrade

rail lines and support the railroad’s long-term infrastructure needs.

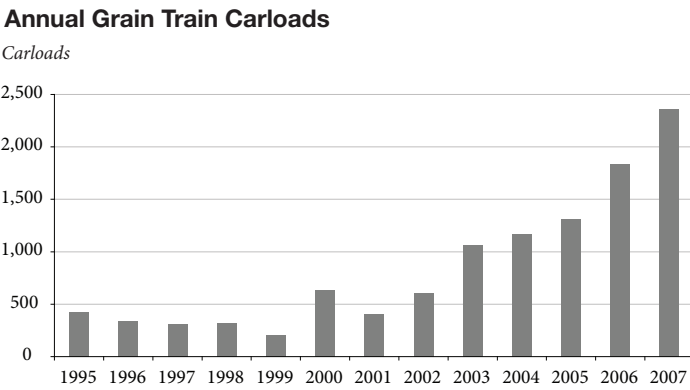
- Helps support a healthy rail network that may maintain and attract new businesses—especially in rural areas of Washington.
- Saves fuel over shipping by truck.
- Supports air quality improvement initiatives.
- Helps reduce wear and tear on local roadways by utilizing rail.
- Was started with federal “seed” money and operates without any taxpayer subsidy.

Who manages the Washington Grain Train?

WSDOT, the Port of Walla Walla, the Port of Moses Lake, and the Port of Whitman County all manage the Washington Grain Train. WSDOT has oversight of the entire program, and the port districts collect monthly payments from UP and BNSF for the use of the cars. The ports can use up to one percent of the payments they receive from the UP and BNSF for fleet management services.

How well is the Grain Train program performing today?

Use of the grain cars remains strong. Since its beginning, the Grain Train program has carried over 9,000 carloads totalling more than 900,000 tons of grain from Washington to national and international markets. Total carloads for the fourth quarter of 2007 increased 78 percent over the fourth quarter of 2006. There were 629 carloads shipped in the fourth quarter of 2007 compared with 353 in the fourth quarter of 2006. In total for 2007, 2,359 carloads were shipped compared to 1,742 carloads in 2006, a 35% increase.



Which communities are served by the Washington Grain Train?

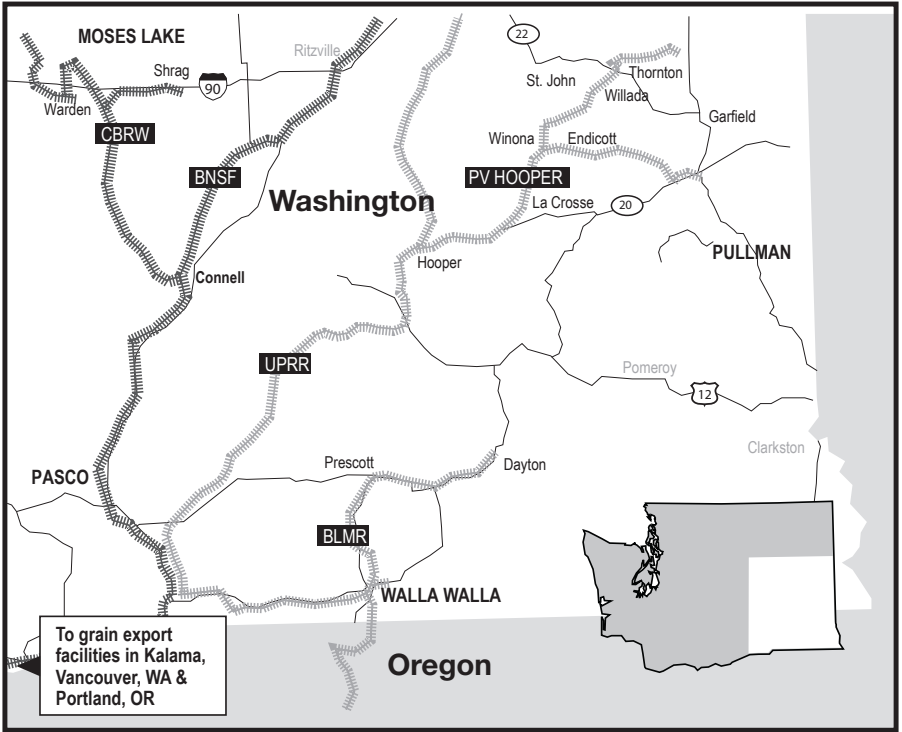
The Washington Grain Train collects wheat and barley from grain elevators in eight cities in eastern Washington. These include: Warden, Schrag, La Crosse, Prescott, Endicott, Willada, St. John, and Thornton. The grain is transported to export facilities in Kalama, Tacoma, Seattle, Vancouver, WA, and Portland, OR.

How does the Washington Grain Train generate revenues?

Currently, the Grain Train is being used to ship grain collected in eastern Washington under two different operations. One operation originates near Moses Lake on the Columbia Basin Railway and transports grain to export facilities on the Columbia River and Puget Sound ports. Usage fees for these grain cars are based on a combination of the number of days they are on a particular railroad and miles traveled (time and mileage). So the further the car travels and the longer it is on a particular railroad, the more money the car earns.

The second operation is a shuttle service between grain elevators in eastern Washington to a barge terminal in Wallula. A car use fee per trip was established for the shuttle service based on estimates of time and mileage. One car use fee was established for shipments on the PV Hooper rail line, and another for the Blue Mountain rail line.

These fees are deposited directly into accounts managed by each of the three port districts. These funds are used for grain car maintenance, car tracking, and eventual car



replacement (based on a 20-year depreciation schedule). A portion of these fees are also set aside and used as a “reserve” fund that is periodically tapped for fleet expansion.

Once the reserve fund has grown large enough to purchase rail cars and there is a demonstrated need for additional cars, WSDOT can instruct the port districts to send funds to a rail car sales firm selected by WSDOT. This firm then delivers the cars (a standard 26-car set and three extras) to Washington for painting and, finally, service on a specific corridor where there is a shortage of grain hopper cars.

